



LANCASTER COUNTY BOARD OF COMMISSIONERS

Bernie Heier

Larry Hudkins

Deb Schorr

Ray Stevens

Bob Workman

Kerry Eagan, *Chief Administrative Officer*

Gwen Thorpe, *Deputy Administrative Officer*

July 27, 2006

For Immediate Release

News from:

The Lancaster County Board of Commissioners

For more information:

<http://www.lincoln.ne.gov/cnty/budget/index.htm>

or Dave Kroeker (402) 441-7447

or Gwen Thorpe (402) 441-7447

LANCASTER COUNTY BOARD OF COMMISSIONERS RELEASES PROPOSED BUDGET FOR FISCAL YEAR 2006-2007

The Lancaster County Board of Commissioners today released the proposed budget for Fiscal Year 2006-2007. At 7 PM on Tuesday, August 15, 2006 the Board will hold a Public Hearing on the budget. The Public Hearing will be held in the County Commissioners Hearing Room, Room 112, on the first floor of the County/City Building located at 555 S. 10th Street in Lincoln. The Board will formally adopt the budget on Tuesday, August 22, 2006 at 9:30 AM in a meeting to be held in the County Commissioners Hearing Room.

Preparation of the annual budget is the primary legislative responsibility of the County Board. Realizing the budget affects every citizen of Lancaster County the Board takes this responsibility seriously and has spent many hours in deliberation on the budget.

The Board asked County agencies to submit a current level of service budget with no expansion of services or personnel, a difficult request with increasing population and greater demand for County services. The Board made some very difficult decisions and reduced the property tax requirement by \$1,700,000. This was accomplished by reducing expenses by \$875,000 and an anticipated increase in revenue of \$825,000. Lancaster County does not receive any sales or income tax, and relies heavily on property tax to fund the budget.

The adoption of this budget results in a property tax rate of \$0.2653 per \$100 of value. In Fiscal year 2005-2006 the property tax rate was \$0.2841 per \$100 of value. Therefore, for this Fiscal Year funding for the County on \$100,000 of property value will be reduced by \$16.11.

The Board of Commissioners appreciates the cooperation of the Lancaster County elected officials and appointed department heads in arriving at this year's budget. They also want to thank all County

employees for their assistance in providing the necessary services within budget constraints. They welcome public testimony on this proposed budget at the Public Hearing.

Budget highlights include the following:

- Valuation: The County Assessor completed a revaluation of the entire County which will impact the 2006-2007 budget year. The County's estimated valuation is \$18,210,450,000 which reflects a 14.3% increase. Last year the valuation attributable to growth was 3.08%. If the same is true this year, there will be roughly an 11.3% increase in value attributable to the revaluation. The County received a large number of property valuation protests and included \$800,000 in the budget to cover the cost of the protest process.

Please note that the final valuation numbers will not be available until August 20, 2006.

- Roads: The County Board is pleased to be able to fund 2.2 miles of new paving in this year's budget. In 2005-2006 they were able to pave ½ mile. Property tax funding for the County Engineer and the transfer to the Bridge and Road Fund budget increased \$417,000 for this year's budget, totaling \$7,928,000.

Fuel costs account for a significant portion of the budget increase. Fuel costs for the Bridge and Road Fund and for the Highway Allocation Fund increased 40% from \$560,000 to \$780,000.

The Board has reserved \$300,000 of Keno funds for preliminary engineering of the East Beltway. The City of Lincoln will also provide \$300,000 for this project. The Board also reserved an additional \$675,000 in Keno funds for future County road projects. Road projects make up the largest portion of the Keno funds for this budget year.

GENERAL FUND BUDGETS:

- Corrections, Sheriff, County Attorney and Public Defender: Increases in the cost of law enforcement, prosecution/defense of those arrested and housing inmates continue to increase with growing population. Staffing levels for Corrections, the Sheriff, County Attorney and Public Defender have increased to handle the additional workload.

The County's correctional facility, which was built in 1991, is overcrowded which has led to housing some detainees in facilities outside Lancaster County. The 2006-2007 budget includes \$570,000 for continuation of housing outside the County. Due to the overcrowding the County is currently doing the pre-architectural planning to determine size, location, staffing and costs associated with a jail expansion. Bonds will be issued to pay for the expansion.

- Election Commissioner: This budget is increased because of the election cycle. In the fall of 2006 there will be a Statewide general election, and in the spring of 2007 there will be two City elections, as opposed to last year when there was only a primary election. Additionally, signature verification for the successful petition drives increased the costs for the Election Commissioner.

SPECIFIC FUNDS:

- Group Health and Dental Insurance Fund: Lancaster County is self-insured for health and dental insurance with some stop loss insurance to protect against catastrophic losses. The County began self-insuring for health insurance in January, 2005 with the same premium charge that we had been paying. Following a recently completed study it was recommended we reduce our Group Health Insurance premium by 10% effective January 1, 2007. This reduction lowers our 2006-2007 premiums by \$560,000.

The \$2.6 million increase in the budget reflects the County's cash balances plus premiums for 2006-2007.

- Visitors Promotion Fund: Beginning July 1, 2005, a Visitors Improvement Fund was established for the purpose of improving visitor attractions and facilities in the County. Revenue for this new Fund is included in the Visitors Promotion Fund. This new Fund had a balance of \$598,000 on June 30, 2006 which is the reason for the increase in this budget.
- Families First and Foremost: The grant for this project ended in 2005, and the services are now being provided by Region V. The previous budget amount was to close out this project.

REVENUE:

- The most significant increase in revenue is in interest income which increased from \$1.1 million in 2005-2006 to \$2 million in 2006-2007.